



City of Huntington Beach  
Finance and Investment Advisory Board Minutes

Wednesday, June 29, 2011 at 6:00 PM  
Civic Center, Lower Level, Room B-7  
2000 Main Street  
Huntington Beach, California

- 
1. **Call to Order:** At 6:06 p.m., Chairman Clarke called the meeting to order.
  2. **Roll Call:**  
Present: Chairman Jerry Clarke, Vice Chairman Gerald Chapman, Members: Ken Dickerson, Pat Goodman, Gabe Houston, Angela Rainsberger  
Members Absent: Valerie Dickerson, Joe Foy, Steve Garcia, Bob Glass, David Hatch  
Staff Present: Lori Ann Farrell, Director of Finance  
Carrie Gonzales, Administrative Assistant  
Eric Peterson, Planning Commission
  3. **Public Comments:**  
Eric Peterson introduced himself. He mentioned he was previously a member of the Finance Board and is now a current Member of the Planning Commission. He wanted to attend a Finance & Investment Advisory Board meeting to keep himself informed.
  4. **Old Business:**  
May 25, 2011 Finance & Investment Advisory Board Minutes – Vice Chair Chapman made a motion to approve the minutes as amended, seconded by Member Houston. 5/0/1 (Member Rainsberger Abstained)
  5. **New Business:**
    - a) Annual Calendar – Development of the Board's calendar was discussed and an annual calendar was created. Member Rainsberger made a motion to approve the Board's calendar, seconded by Member Goodman. 6/0
    - b) Review of the "All other receipts" column on the Quarterly Investment Report – At the May 25, 2011 Board Meeting, the Board Members asked staff if they would prepare a report that listed more detail on the "All other receipts" line on the Quarterly Investment Report. Director Farrell distributed the "Statement of Cash Receipts and Disbursements and Summary of Cash by Fund" for the March 2011 Quarterly Investment Report and discussed the items listed.
  6. **Comments from Board Members**  
Vice Chair Chapman asked staff if the State's proposal to eliminate the Redevelopment Agency (RDA) would affect the City. Director Farrell mentioned the State's adopted legislation eliminates the RDA. A second bill keeps the RDA and the City must pay the State \$6.85 Mil. The RDA owes the City \$85 Mil, \$75 Mil is General Fund, and repays the City's General Fund \$4.9 Mil annually. If the RDA were eliminated, the City's General Fund would no longer receive these funds. The County Successor Agency would receive all the Property Tax Revenue from the properties in the RDA area. If the RDA were eliminated, the Property Tax Revenue the City receives would change from \$1 for \$1 in RDA areas (i.e. 100% of tax increment) versus fifteen cents on the dollar if it goes to the General Fund.  
  
There was also discussion of a few items that will be affecting the City:
    - The elimination of Vehicle License Fee (VLF) revenue will be approximately an additional \$500 K to \$700 K hit to the City
    - Approximately \$300 K will be given back to the City for Police Officer COPS funding
    - OC will be losing approximately \$50 Mil

Director Farrell mentioned that there would be a City Council Study Session held on July 5 at 4:00 p.m. to discuss the Redevelopment Agency issue.

She also mentioned a City Council Study Session would be held on August 15 at 4:00 to discuss the Proposed FY 2011/12 Budget.

Vice Chair Chapman asked staff if the City still had a policy to keep the employee salaries at the 75% amongst the OC Cities. Director Farrell stated she is not aware of such a policy.

Vice Chair Chapman asked staff when 3% @ 50 retirement benefit was given to the safety personnel, has there been discussion about paying it back? Director Farrell stated that during current negotiations with the employee unions, the City has been asking the employees to pick-up more of the PERS costs and to consider new reduced pension formulas.

3% @ 55
2% @ 60

Vice Chairman Chapman asked staff if another insurance carrier covers the lawsuits filed against the City. Director Farrell stated there is a \$1.5 Mil Litigation Reserve and a \$1 Mil self-insurance. The City pays the first million and anything after that the BICEP would pay, if covered.

Vice Chairman Chapman asked staff if the City would be spending the 15% of General Fund for infrastructure. He also asked how much the debt service portion was of the Infrastructure calculation. Director Farrell stated yes the City will be spending 15% and that the debt service amount is \$5.4 Mil.

Vice Chairman Chapman stated he read an article in the OC Business Journal regarding companies with yearly sales of \$775 Mil are leaving the City of Huntington Beach. What is the City doing to keep these companies here in the City? Director Farrell stated the Economic Development Department is the lead on bringing businesses into the City and the Redevelopment Agency (RDA). Deputy City Manager Bob Hall oversees these activities.

**7. Adjournment:**

Vice Chair Chapman made a motion at 7:52 p.m. to adjourn the meeting to Wednesday, July 27, 2011, at 6:00 pm in meeting room B-7, seconded by Member Rainsberger. The motion was approved 6-0.

Minutes submitted by:  
Lori Ann Farrell  
Director of Finance